

## TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in subsec. (c)(1) of this section relating to the duty of the Secretary of the Treasury to report annually to Congress, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 143 of House Document No. 103-7.

**§ 1473. Revenue and customs or tariff treatment of deep seabed mining unaffected**

Except as otherwise provided in sections 4495 to 4498<sup>1</sup> of title 26, nothing in this chapter shall affect the application of title 26. Nothing in this chapter shall affect the application of the customs or tariff laws of the United States.

(Pub. L. 96-283, title IV, §404, June 28, 1980, 94 Stat. 586; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095.)

## REFERENCES IN TEXT

Sections 4495 to 4498 of title 26, referred to in text, were in the original "section 402", meaning section 402 of Pub. L. 96-283, title IV, June 28, 1980, 94 Stat. 582, which enacted sections 4495 to 4498 of Title 26, Internal Revenue Code, and enacted a provision set out as a note under section 4495 of Title 26. Sections 4495 to 4498 of title 26 were repealed by Pub. L. 105-34, title XIV, §1432(b)(1), Aug. 5, 1997, 111 Stat. 1050.

This chapter, referred to in text, was in the original "this Act", meaning Pub. L. 96-283, June 28, 1980, 94 Stat. 553, as amended, known as the Deep Seabed Hard Mineral Resources Act, which is classified principally to this chapter (§1401 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1401 of this title and Tables.

The customs or tariff laws of the United States, referred to in text, are classified generally to Title 19, Customs Duties.

## CODIFICATION

Section was enacted as part of title IV of Pub. L. 96-283, and not as part of title III of Pub. L. 96-283 which comprises this subchapter.

## AMENDMENTS

1986—Pub. L. 99-514 substituted "Internal Revenue Code of 1986" for "Internal Revenue Code of 1954", which for purposes of codification was translated as "title 26" thus requiring no change in text.

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<sup>1</sup> See References in Text note below.

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## § 1501. Congressional statement of findings

The Congress finds that—

(1) domestic geothermal reserves can be developed into regionally significant energy sources promoting the economic health and national security of the Nation;

(2) there are institutional and economic barriers to the commercialization of geothermal technology; and

(3) Federal agencies should consider the use of geothermal energy in the Government's buildings.

(Pub. L. 96-294, title VI, §602, June 30, 1980, 94 Stat. 763.)

## SHORT TITLE

Section 601 of title VI of Pub. L. 96-294 provided that: "This title [enacting this chapter and sections 1146 and 1147 of this title and amending sections 1141 and 1143 of this title and sections 796, 824a-3, 824i, and 824j of Title 16, Conservation] may be cited as the 'Geothermal Energy Act of 1980'."

## SUBCHAPTER I—PROJECT LOANS

**§ 1511. Loans for geothermal reservoir confirmation**

**(a) Authorization; purposes**

The Secretary of Energy (hereafter in this chapter referred to as the "Secretary") is authorized to make a loan to any person, from funds appropriated pursuant to this subchapter) to the Geothermal Resources Development Fund established under section 1144 of this title, to assist such person in undertaking and carrying out a project which (1) is designed to explore for or determine the economic viability of a geothermal reservoir and (2) consists of surface ex-

ploration and the drilling of one or more exploratory wells.

**(b) Repayment rates**

Subject to subsection (c) of this section and to section 1513(b) of this title, any loan under subsection (a) of this section shall be repayable out of revenue from production of the geothermal energy reservoir with respect to which the loan was made, at a rate, in any year, not to exceed 20 per centum of the gross revenue from the reservoir in that year; except that if any disposition of the geothermal rights to the reservoir is made to one or more other persons by the borrower, the full amount of the loan balance outstanding, or so much of the loan balance outstanding as is equal to the full amount of the compensation realized by the borrower upon such disposition, whichever is less, shall be repaid immediately. In any case where the reservoir is confirmed (as determined by the Secretary), the Secretary may impute a reasonable revenue for purposes of determining repayment if—

- (1) reasonable efforts are not made to put such reservoir in commercial operation,
- (2) the borrower (or any such other person) utilizes the resources of the reservoir without a sale of the energy or geothermal energy resources therefrom, or
- (3) a sale of energy or geothermal energy resources from the reservoir is made for an unreasonably low price;

except that no such imputation of revenue shall be made during the three-year period immediately following such reservoir confirmation. In the event of failure to begin production of revenue (or, where no sale of energy or geothermal energy resources is made, to begin production of energy for commercial use) within five years after the date of such reservoir confirmation, the Secretary may take action to recover the value, not to exceed the amount of the unpaid balance of the loan plus any accrued interest thereon, of any assets of the project in question, including resource rights.

**(c) Cancellation of unpaid balance and accrued interest**

The Secretary may at any time cancel the unpaid balance and any accrued interest on any loan made under this section if he determines, on the basis of evidence presented by the loan recipient or otherwise, that the geothermal energy reservoir with respect to which the loan was made has characteristics which make that reservoir economically or technically unacceptable for commercial development.

**(d) "Person" defined**

As used in this subchapter, the term "person" includes municipalities, electric cooperatives, industrial development agencies, nonprofit organizations, and Indian tribes, as well as the entities included within such term under section 1 of title 1.

(Pub. L. 96-294, title VI, §611, June 30, 1980, 94 Stat. 763.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original "this title", meaning title VI of Pub. L. 96-294,

June 30, 1980, 94 Stat. 763, known as the Geothermal Energy Act of 1980. For complete classification of title VI to the Code, see Short Title note set out under section 1501 of this title and Tables.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1512, 1513, 1514 of this title.

**§ 1512. Loan size limitation**

The amount of any loan made under section 1511(a) of this title with respect to a project described in that section shall not exceed 50 per cent of the cost of such project; except that if the loan is made to a person proposing to make application of the resources of the reservoir involved primarily for space heating or cooling or process heat for one or more structures or facilities then existing or under construction, the loan may be in any amount up to 90 per centum of such cost. In any event no loan shall be made in an amount in excess of \$3,000,000.

(Pub. L. 96-294, title VI, §612, June 30, 1980, 94 Stat. 764.)

**§ 1513. Loan interest rates; repayment periods**

(a) Each loan made under section 1511 of this title shall bear interest at a discount or interest rate equal to the rate in effect (at the time the loan is made) for water resources planning projects under section 80 of the Water Resources Development Act of 1974 (42 U.S.C. 1962(d)-17(a)).<sup>1</sup>

(b) Each such loan shall be for a term which the Secretary deems appropriate, except that no loan term shall exceed twenty years beyond the date on which production of energy or geothermal energy resources begins from the reservoir involved. If revenues are inadequate (as determined by the Secretary) to fully repay the principal and accrued interest within twenty years after production begins, any remaining unpaid amounts shall be forgiven.

(Pub. L. 96-294, title VI, §613, June 30, 1980, 94 Stat. 764.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1511 of this title.

**§ 1514. Program termination**

No new loans shall be made under this subchapter after September 30, 1986. Amounts repaid on or before September 30, 1986, on loans theretofore made under section 1511 of this title shall be deposited in the Geothermal Resources Development Fund for purposes of this subchapter. Amounts repaid after that date on loans theretofore made under section 1511 of this title, and amounts deposited in the Fund for purposes of this subchapter which remain in the Fund after that date and are not required to secure outstanding obligations under this subchapter, shall be deposited into the United States Treasury as miscellaneous receipts.

(Pub. L. 96-294, title VI, §614, June 30, 1980, 94 Stat. 764.)

<sup>1</sup> So in original. Should be "(42 U.S.C. 1962d-17(a))."

**§ 1515. Regulations**

The Secretary shall promulgate regulations to carry out this subchapter no later than six months after June 30, 1980.

(Pub. L. 96-294, title VI, §615, June 30, 1980, 94 Stat. 764.)

**§ 1516. Authorizations**

There are hereby authorized to be appropriated for loans under this subchapter not to exceed \$5,000,000 for fiscal year 1981, and not to exceed \$20,000,000 for each of the four succeeding fiscal years. Amounts so appropriated shall be deposited in the Geothermal Resources Development Fund for purposes of this subchapter, and shall remain available for such purposes until expended.

(Pub. L. 96-294, title VI, §616, June 30, 1980, 94 Stat. 765.)

SUBCHAPTER II—STUDY, ESTABLISHMENT,  
AND IMPLEMENTATION OF INSURANCE  
PROGRAM

**§ 1521. Reservoir insurance program study**

The Secretary shall conduct a detailed study of the need for and feasibility of establishing a reservoir insurance and reinsurance program incorporating the terms, conditions, and provisions set forth in section 1522 of this title, and shall submit to the Congress within one year after June 30, 1980, a report on the results of such study including his findings and recommendations with respect thereto.

(Pub. L. 96-294, title VI, §621, June 30, 1980, 94 Stat. 765.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1522 of this title.

**§ 1522. Establishment of program****(a) Authorization; requirements; scope**

If the report of the Secretary submitted pursuant to section 1521 of this title affirmatively recommends the establishment of the program and the Congress by law (after review of such recommendation) specifically authorizes the establishment of the program, the Secretary shall establish and implement within six months after the date of the enactment of such authorization a program, in cooperation with the insurance and reinsurance industry, to provide reservoir insurance to qualified eligible applicants in accordance with this section.

**(b) Definitions**

For the purpose of this section—

(1) the term “investment” means the expenditure of, and any irrevocable legal obligation to expend, funds (together with the reasonable interest costs thereof) for the purchase or construction of machinery, equipment, and facilities manufactured, or for services contracted to be furnished, for the development and utilization of a geothermal resource in the United States to provide energy in the form of heat for direct use or for generation of electricity;

(2) the term “geothermal resource” means a resource in the United States including (A) all products of geothermal processes embracing indigenous steam, hot water, and hot brines; (B) steam and other gases, hot water and hot brines resulting from water, gas, or other fluids artificially introduced into geothermal formations; (C) heat or other associated energy found in geothermal formations; and (D) any byproducts derived from them, where “byproduct” means any mineral or minerals (exclusive of oil, hydrocarbon gas, and helium) which are found in solution or in association with other geothermal resources and which have a value of less than 75 per centum of the value of the geothermal steam or are not, because of quantity, quality, or technical difficulties in extraction and production, of sufficient value to warrant extraction and production by themselves;

(3) the term “risk” means the hazard that a reservoir of geothermal resources will cease to provide sufficient quantities of geothermal resources at minimum conditions required to maintain an economically or technically viable operation for utilization of the geothermal resource;

(4) the term “reasonable premiums” means premium amounts determined by the Secretary to be reasonable in light of the amount of investment subject to the risk and premiums charged in similar or analogous situations by private insurers where private insurance is concerned and by insurers or guarantors, both public and private, where public insurance is concerned;

(5) the term “other insurance” means any combination of private or public insurance other than investment insurance provided by the Secretary under this section;

(6) the term “reservoir” means the physical subsurface geologic structure which forms the natural repository for the undisturbed geothermal resource; and

(7) the term “person” means any public or private agency, institution, association, partnership, corporation, political subdivision, or other legal entity which is a United States citizen as determined by application of the test for United States citizenship contained in section 2(a)–(c) of the Shipping Act, 1916 [46 App. U.S.C. 802], or in the first sentence of section 27A of the Merchant Marine Act, 1920 [46 App. U.S.C. 883-1(a)–(e)].

**(c) Eligibility for investment insurance**

Any person with a total direct investment of not less than \$1,000,000 in the development and use, not including exploration and testing, of a geothermal resource associated with a reservoir, and unable to obtain other insurance at reasonable premiums for the amount of the investment subject to risk, as determined by the Secretary under this section, shall be eligible for investment insurance.

**(d) Application for investment insurance; contents, etc.**

Any eligible person seeking investment insurance under this section shall file an application with the Secretary setting forth (1) the total amount of the contemplated investment in a

geothermal resource and associated reservoir; (2) the views of the applicant concerning the nature and extent of the risk, including a geologic, engineering, and financial assessment based on site specific results of exploration and testing of the geothermal resource and the reservoir, stated with as much specificity as is possible; (3) the status of all required Federal, State, and local approvals, permits, and leases for the proposed development and utilization operations at the site; (4) the extent to which the applicant has been able to obtain other insurance against the risk; and (5) such other information as the Secretary may require.

**(e) Determinations respecting application for insurance**

Unless the Secretary determines the risk proposed by the applicant is unreasonable, the Secretary, within ninety days after receipt of a satisfactory application, shall determine in writing and submit to the applicant (1) the risk which may cause loss of investment for the applicant; (2) the total investment subject to the risk; (3) the amount of the other insurance which is available at reasonable premiums for the purpose of indemnifying the applicant against the risk; (4) the amount of investment insurance available pursuant to this section, which shall be the difference between the total investment subject to the risk and the total other insurance determined to be available at reasonable premiums, but not in excess of the lesser of 90 per centum of, or \$50,000,000 of, the loss of investment subject to the risk; and (5) any reasonable terms and conditions necessary for the prudent administration of the program, including reasonable premiums for the insurance pursuant to this section (which shall be deposited in the Geothermal Resources Development Fund).

**(f) Certificate of insurance; issuance, etc.**

The Secretary, within ninety days after making and submitting the determinations under subsection (e) of this section, and upon agreement of the applicant to such determinations, shall issue a certificate of insurance containing such terms and conditions as the Secretary shall specify, which shall not be transferrable without the express approval of the Secretary for good cause shown, and shall execute a contract with the applicant setting forth the terms and conditions of the investment insurance and such other provisions as may be necessary to protect the interests of the United States, including provisions with respect to the ownership, use, and disposition of any currency, credits, assets, or investments on account of which payment under such insurance is to be made and any right, title, claim, or course of action existing in relation thereto.

**(g) Compensation payable to holder of certificate of insurance; amount, etc.**

Any holder of a certificate of insurance pursuant to subsection (f) of this section who claims a loss of value of his investment by reason of the specified risk shall receive compensation, to the extent the Secretary determines that the holder is eligible to receive compensation pursuant to the certificate and the contract, in the amount of the loss incurred by the holder which is sub-

ject to insurance and for which the holder has not received and will not receive compensation from other insurance.

**(h) Withdrawal and payment of compensation**

Any compensation received by the holder shall be withdrawn from the Geothermal Resources Development Fund. The full faith and credit of the United States is hereby pledged to the payment of any compensation under this section.

**(i) Denial of insurance**

A person shall not be denied insurance pursuant to this section solely because such person is the recipient of other Federal assistance under this or any other Act.

**(j) Appropriations**

There may be appropriated to the Geothermal Resources Development Fund (established pursuant to section 1144 of this title), for purposes of this section, such amounts as are authorized for such purposes in the law referred to in subsection (a) of this section or in other legislation hereafter enacted.

**(k) Reinsurance agreements; procedures applicable; criteria; report to Congress**

The Secretary may enter into agreements to reinsure any private insurer for any risk associated with insurance for the development and utilization of a geothermal resource and associated reservoir, using the procedures set forth in subsections (c) through (i) of this section, to the extent that he deems it appropriate in order to provide an incentive for the participation of the private insurance industry in geothermal development; and he may also use any other available authority to obtain such participation. The Secretary shall submit a report to the Congress, within one year after the enactment of the law referred to in subsection (a) of this section, on the need for any additional authority to obtain such participation.

(Pub. L. 96-294, title VI, § 622, June 30, 1980, 94 Stat. 765.)

REFERENCES IN TEXT

This Act, referred to in subsec. (i), is Pub. L. 96-294, June 30, 1980, 94 Stat. 611, as amended, known as the Energy Security Act. For complete classification of this Act to the Code, see Short Title note set out under section 8801 of Title 42, The Public Health and Welfare, and Tables.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1521 of this title.

SUBCHAPTER III—ESTABLISHMENT OF ASSISTANCE PROGRAM

**§ 1531. Feasibility study loan program**

**(a) Authorization; purposes**

The Secretary is authorized and directed to establish a program of assistance for the accelerated development of geothermal resources for nonelectric applications by geothermal utility districts, geothermal industrial development districts, and other persons.

**(b) Maximum amount of loan for costs of administration; cancellation of unpaid balance and accrued interest**

(1) In providing assistance under the program established pursuant to subsection (a) of this

section, the Secretary is authorized to make a loan to any person to defray up to 90 per centum of the costs of (A) studies to determine the feasibility of any geothermal development described in such subsection, and (B) preparing applications for any necessary licenses or other Federal, State, and local approvals respecting such development.

(2) The Secretary may cancel the unpaid balance and any accrued interest on any loan granted for a study pursuant to clause (A) of paragraph (1) if he determines, on the basis of the study, that the geothermal development is not technically or economically feasible.

**(c) Maximum amount of loan for costs of construction**

In providing assistance under such program, the Secretary is also authorized to make a loan to any person to defray up to 75 per centum of the costs directly related to the construction of a system or systems for nonelectric geothermal development pursuant to such subsection, where the Secretary finds that—

(1) all necessary licenses and other required Federal, State, and local approvals for construction of such system or systems have been or will be issued,

(2) the project involved will comply with all applicable laws relating to protection of the environment, and

(3) the applicant requires such assistance to undertake and complete the project.

**(d) Interest rate; term**

Each loan made pursuant to this section shall bear interest at a discount or interest rate equal to the rate in effect (at the time the loan is made) for water resources planning projects under section 80 of the Water Resources Development Act of 1974 (42 U.S.C. 1962(d)–17(a)).<sup>1</sup> Each loan shall be for such term as the Secretary deems appropriate, but not in excess of ten years for loans under subsection (b) of this section or thirty years for loans under subsection (c) of this section.

**(e) Funding; deposit of amount repaid**

Loans pursuant to this section shall be made from funds appropriated (pursuant to this subchapter) to the Geothermal Resources Development Fund established under section 1144 of this title; and amounts repaid on such loans shall be deposited in the Geothermal Resources Development Fund for purposes of this subchapter.

**(f) Authorization of appropriations**

For loans under clause (A) of subsection (b)(1) of this section for fiscal year 1981, there is authorized to be appropriated to the Geothermal Resources Development Fund not to exceed \$5,000,000, which shall remain available until expended. For loans under such clause (A) for subsequent fiscal years, and for loans under clause (B) of subsection (b)(1) of this section or under subsection (c) of this section (for any such subsequent fiscal year), there may be appropriated to such Fund only such sums as are authorized by legislation hereafter enacted.

**(g) "Person" defined**

As used in this section, the term "person" includes municipalities, cooperatives, industrial

development agencies, nonprofit organizations, and Indian tribes, as well as the districts referred to in subsection (a) of this section and the other entities included within such term under section 1 of title 1.

(Pub. L. 96-294, title VI, § 631, June 30, 1980, 94 Stat. 767.)

**SUBCHAPTER IV—FEDERAL FACILITIES**

**§ 1541. Use of geothermal energy in Federal facilities**

The option of using geothermal energy or geothermal energy resources shall be considered fully in any new Federal building, facility, or installation which is located in a geothermal resource area as designated by the Secretary.

(Pub. L. 96-294, title VI, § 642, June 30, 1980, 94 Stat. 769.)

**§ 1542. Regulations**

All regulations made with respect to this subchapter shall be promulgated no later than six months after June 30, 1980.

(Pub. L. 96-294, title VI, § 644, June 30, 1980, 94 Stat. 770.)

**REFERENCES IN TEXT**

This subchapter, referred to in text, was in the original "this subtitle", meaning subtitle D of title VI of Pub. L. 96-294, June 30, 1980, 94 Stat. 768, which enacted this subchapter and sections 1146 and 1147 of this title and amended sections 1141 and 1143 of this title and sections 796, 824a-3, 824i, and 824j of Title 16, Conservation.

**CHAPTER 28—MATERIALS AND MINERALS POLICY, RESEARCH, AND DEVELOPMENT**

**Sec.**

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| 1601. | Congressional statement of findings; "materials" defined.  |
| 1602. | Congressional declaration of policies.   |
| 1603. | Implementation of policies.  |
| 1604. | Program administration. <ul style="list-style-type: none"> <li>(a) President; preparation of plan and submission to Congress of report.</li> <li>(b) Director of Office of Science and Technology Policy; coordination, etc., activities.</li> <li>(c) Secretary of Commerce; consultative, etc., requirements; identification and assessment activities.</li> <li>(d) Secretary of Defense and other Cabinet members; assessment, etc., activities.</li> <li>(e) Secretary of the Interior; initiation of actions; report.</li> <li>(f) Secretary of the Interior; collection, evaluation, and analysis activities concerning information.</li> </ul> |
| 1605. | Applicability to other statutory national mining and minerals policies.  |

**CHAPTER REFERRED TO IN OTHER SECTIONS**

This chapter is referred to in sections 1803, 1804 of this title.

**§ 1601. Congressional statement of findings; "materials" defined**

(a) The Congress finds that—

(1) the availability of materials is essential for national security, economic well-being, and industrial production;

<sup>1</sup> So in original. Should be "(42 U.S.C. 1962d-17(a))."